

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF JACKSON PURCHASE ELECTRIC)
COOPERATIVE CORPORATION FOR AN ORDER)
AUTHORIZING THE CORPORATION TO BORROW AN)
AMOUNT NOT TO EXCEED \$1,343,000.00 FROM THE)
UNITED STATES OF AMERICA (REA), AND)
\$575,000.00 FROM THE LOUISVILLE BANK FOR) CASE NO.
COOPERATIVES FOR THE PURPOSE OF PURCHASING) 7787
FACILITIES OF KENTUCKY UTILITIES COMPANY IN)
ACCORDANCE WITH AN EXPIRED WHOLESALE POWER)
SUPPLY AGREEMENT WITH KENTUCKY UTILITIES)
COMPANY)

O R D E R

On July 6, 1981, Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase"), by counsel, filed its Petition (Application) for Rehearing in the above case wherein it requested that the Commission rehear its case and modify its Order to the extent that the authority to borrow the proposed funds might not be denied but might be denied in the present circumstances in order to prevent the loss of the allocation of Rural Electrification Administration ("REA") and Louisville Bank for Cooperatives ("LBC") funds at low interest rates.

The Commission, having considered the Application for Rehearing and being advised, finds that:

- (1) While the purchase of the facilities in question from Kentucky Utilities Company by Jackson Purchase is neither necessary and appropriate for nor consistent with the proper performance by the utility of its

service to the public at this time, Jackson Purchase should not be denied the opportunity to obtain funds from REA and LBC at a favorable rate of interest.

- (2) The Petition for Rehearing should be granted in order to give Jackson Purchase the opportunity to provide proof, if any it can, by signed affidavit from its lenders, that the proposed borrowings may be placed in abeyance and not drawn down until approved by the Commission upon proper application and proof by Jackson Purchase.

IT IS THEREFORE ORDERED that the Application for Rehearing be and it hereby is granted.

IT IS FURTHER ORDERED that Jackson Purchase shall within 30 days of the date of this Order provide proof, if any it can, by signed affidavit from its lenders, that the proposed borrowings may be placed in abeyance.

Done at Frankfort, Kentucky, this the 24th day of July 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Volk
Chairman

Katherine Russell
Vice Chairman

Sam Hargrave
Commissioner

ATTEST:

Secretary